

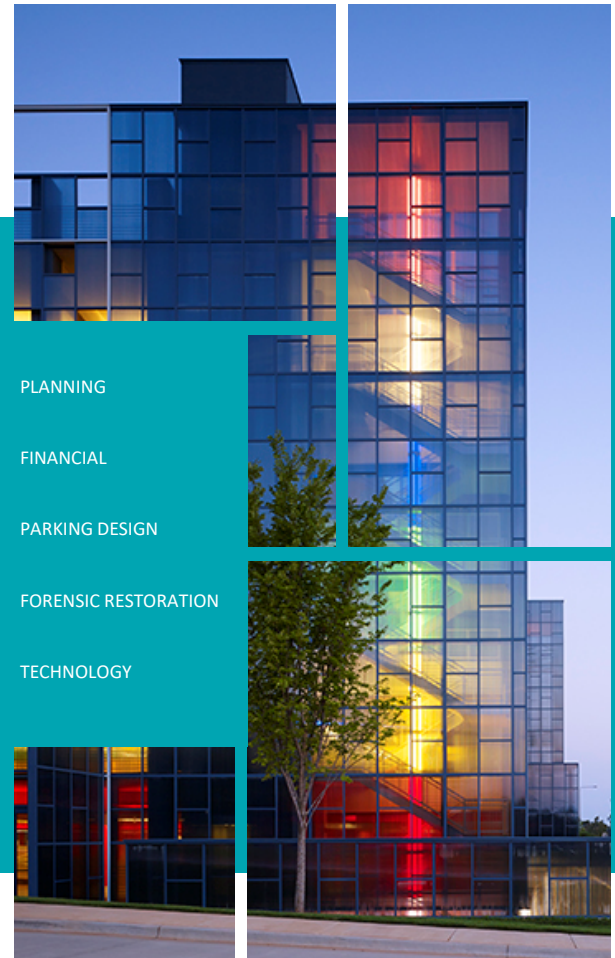


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CITY OF ROCHESTER

2020 Parking System Rate Analysis

July 13, 2020



PLANNING

FINANCIAL

PARKING DESIGN

FORENSIC RESTORATION

TECHNOLOGY

CITY OF ROCHESTER PARKING SYSTEM RATE ANALYSIS

Agenda

1. Rate Analysis Guiding Principles and Goals
2. 2017 Rate Analysis Goals and Results
3. Existing System Financials
4. Modeling Assumptions and COVID Impacts
5. Modeling Results
6. Other Operational Considerations
7. Questions



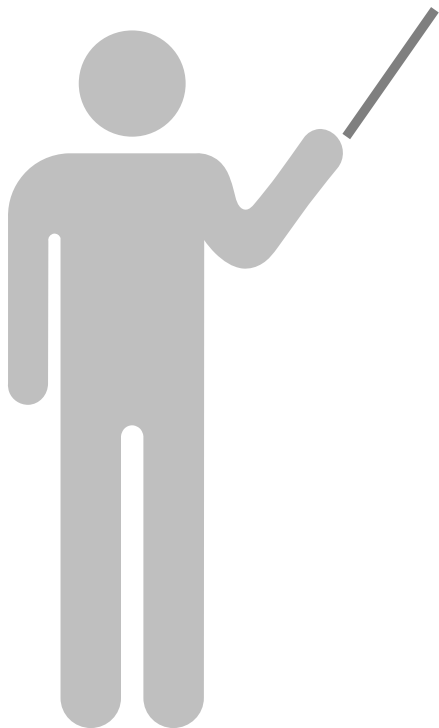
CITY OF ROCHESTER PARKING SYSTEM RATE ANALYSIS

Rate Analysis Guiding Principles and Goals



CITY OF ROCHESTER PARKING SYSTEM RATE ANALYSIS

2. 2017 Rate Analysis Goals and Results



SIMPLIFY TRANSIENT RATE STRUCTURE

TRANSIENT RATE BANDS REDUCED FROM 20 TO 5



ADD TRANSIENT CAPACITY BY REDUCING MONTHLY CONTRACTS

CONTRACT ACCOUNTS REDUCED FROM $\pm 2,000$ TO $\pm 1,600$



INCREASE CONTRACT RATES TO 80% OF ALL DAY RATE

BASIC CONTRACT RATE CURRENTLY 50-60% OF ALL DAY RATE



SUPPORT SMART PARKING MANAGEMENT AND THE DMC MASTER PLAN

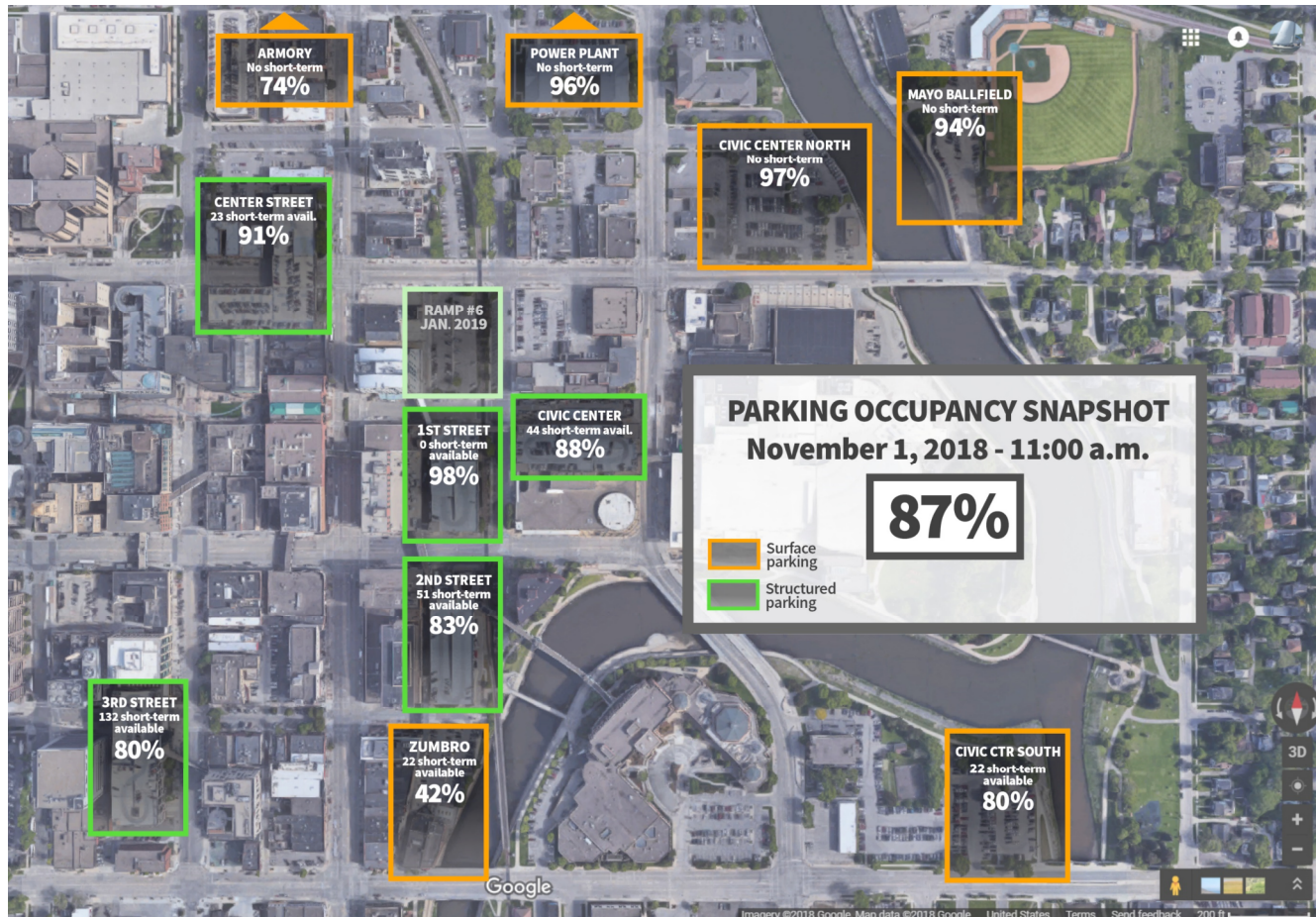
TRANSIENT CAPACITY AND TOTAL PARKING CAPACITY INCREASED



ENSURE PARKING SYSTEM REMAINS SELF-FUNDED

PARKING FUND REVENUES CONTINUE TO EXCEED EXPENSES

CITY OF ROCHESTER PARKING SYSTEM RATE ANALYSIS



November 2019

- **Overall – 65%**
- Center Street – 89%
- Civic Center – 66%
- Ramp 6 – 28%
- 1st Street – 59%
- 2nd Street – 56%
- 3rd Street – 77%
- Surface Lots – 70%

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3. Existing System Financials

Review of System Operating Revenue and Expenses (2019)

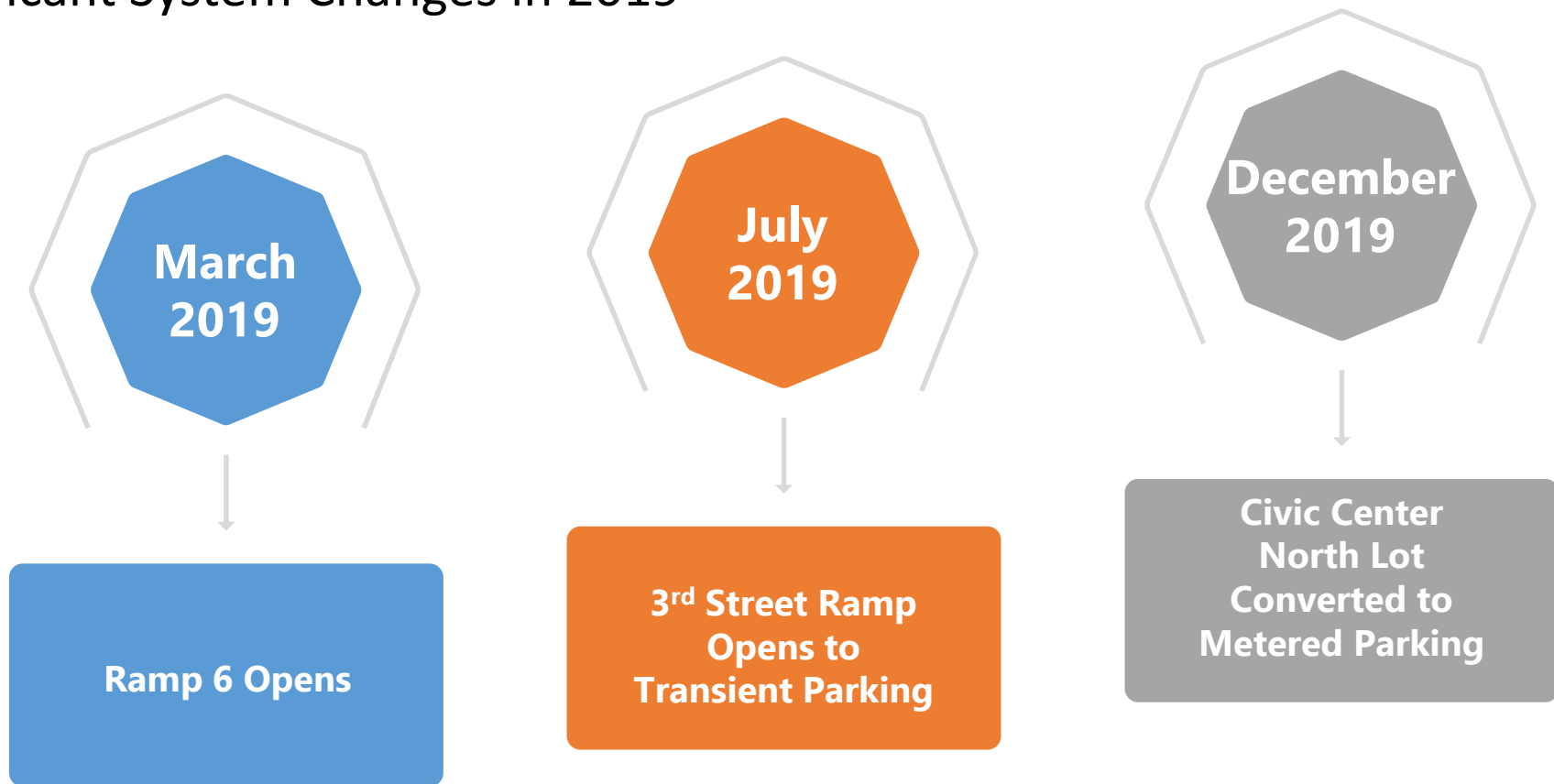
Operating Segment	Revenue	% of Total Revenue	Expenses	% of Total Expenses
Administration	\$268	0.0%	\$319,317	6.5%
Parking Ramps	\$5,439,279	71.6%	\$3,227,209	66.0%
Parking Lots	\$551,546	7.3%	\$221,787	4.5%
Meters & Enforcement	\$1,560,474	20.5%	\$1,037,711	21.2%
Residential Permits	\$44,866	0.6%	\$80,144	1.6%
Totals	\$7,596,434	100.0%	\$4,886,168	100.0%

- Ramps, Lots, and Meters Contribute to Net Revenue
- Parking Ramps are Largest Contributor to Net Revenue
- Administration is 100% Overhead
- Residential Permit Program is Revenue Negative
- Enforcement Expenses are Subsidized by Meter Revenue

Net Operating Income	\$2,710,266
Annual Debt Service	\$1,454,000
Retained Earnings after Debt Service	\$1,256,266

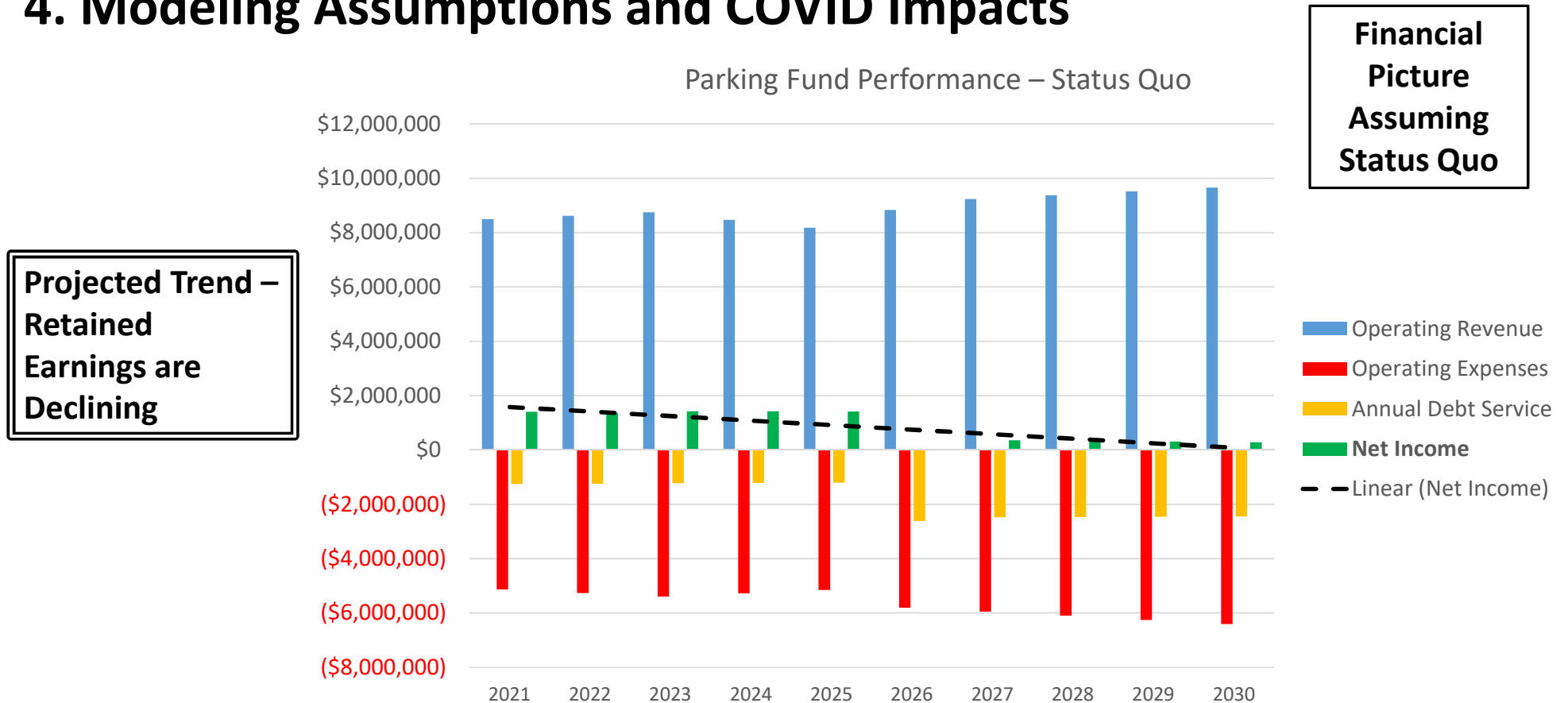
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Significant System Changes in 2019



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4. Modeling Assumptions and COVID Impacts



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Assumptions Common to Both Models



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Model Assumptions – No Ramp 7

- Contract parking rates **↑10%** in 2024
- Transient parking rates **↑5%** in 2029
- Parking meter rates **↑10%** in 2029
- All rates increase in **5-year** increments thereafter

Both models assume that parking activity in 2021 will reflect a return to pre-COVID-19 levels

Model Assumptions – Build Ramp 7

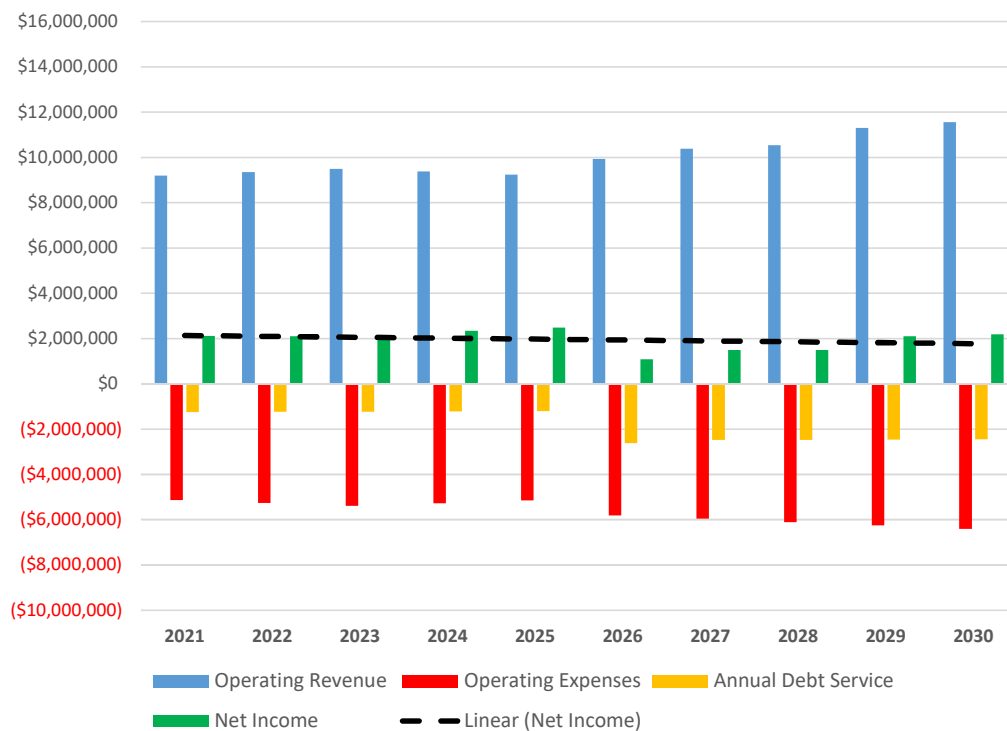
- Contract parking rates **↑40%** in 2022 & 2025
- Transient and parking meter rates **↑20%** in 2025
- All rates **↑5%** in 2028 and every 3 years thereafter
- \$38MM Ramp 7 constructed and opens for business in January 2024

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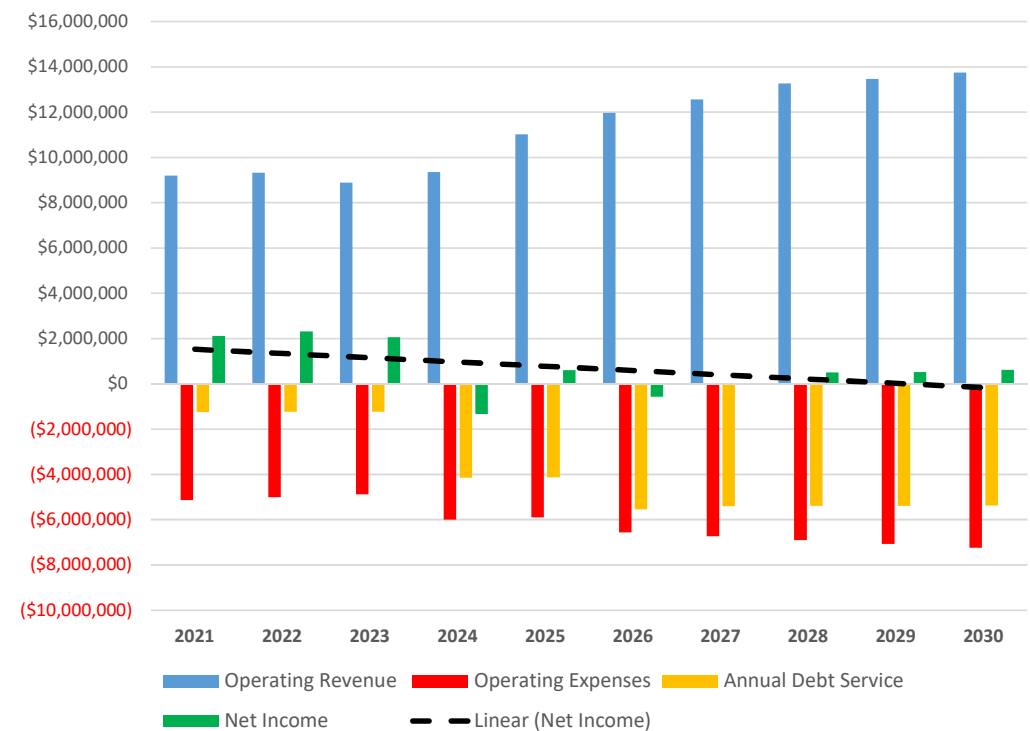
5. Modeling Results

Building Ramp 7 will put significant stress on the Parking Fund

Parking Fund Performance - No Ramp 7

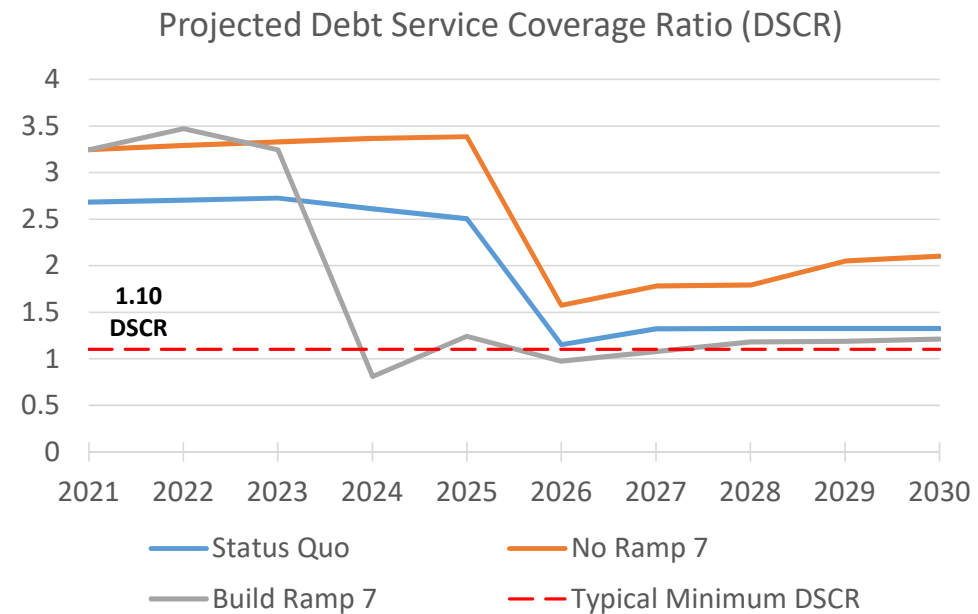
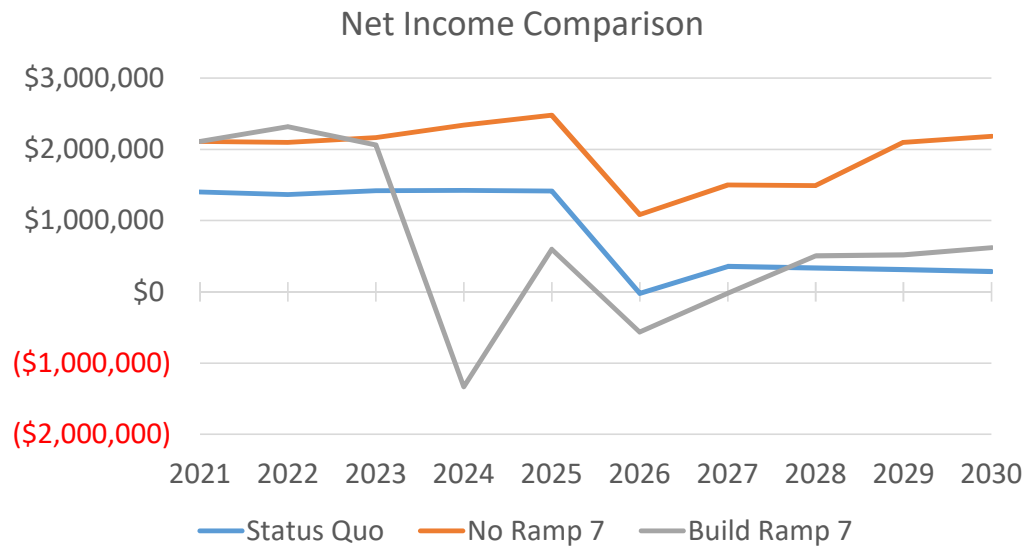


Parking Fund Performance - Build Ramp 7



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Significant Takeaways from Financial Modeling



Parking Fund is in danger of not being able to meet its obligations in the long-term without ongoing rate changes.

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6. Other Operational Considerations





Staff Recommendation

- Implement proposed 2021 citation rates from 2017 study, plus additional \$3 for convenience fees.
- Implement approved 2020 rates for on-street meters.
- Residential permit increase in 2022.
- Remove Ramp 7 from Capital Improvement Program.
- No monthly contract rate increases for 2021.
- No transient rate increases for 2021.
- Evaluate demand based pricing across system.

Citation Rates	2020	2021	Convenience Fee	Total Proposed 2021
Expired Meter	\$20.00	\$25.00	+\$3	\$28.00
On-Street Violation	\$25.00	\$32.00	+\$3	\$35.00
Fire Hydrant	\$30.00	\$38.00	+\$3	\$41.00
Expired Registration	\$40.00	\$50.00	+\$3	\$53.00
Snow Emergency	\$87.00	\$109.00	+\$3	\$112.00
Handicap Parking	\$155.00	\$194.00	+\$3	\$197.00

Residential Permits	2020	2022
Application Fee	\$6.00	\$8.00
Annual Permit	\$25.00	\$30.00
Temporary/Day	\$15.00	\$18.00

Meter Rates	2019	2020
30-min	\$1.40	\$1.50
90-min	\$1.20	\$2.00
2-hour	\$1.40	\$2.50
3-hour	\$1.20	\$1.50
10-hour	\$0.40	\$0.50



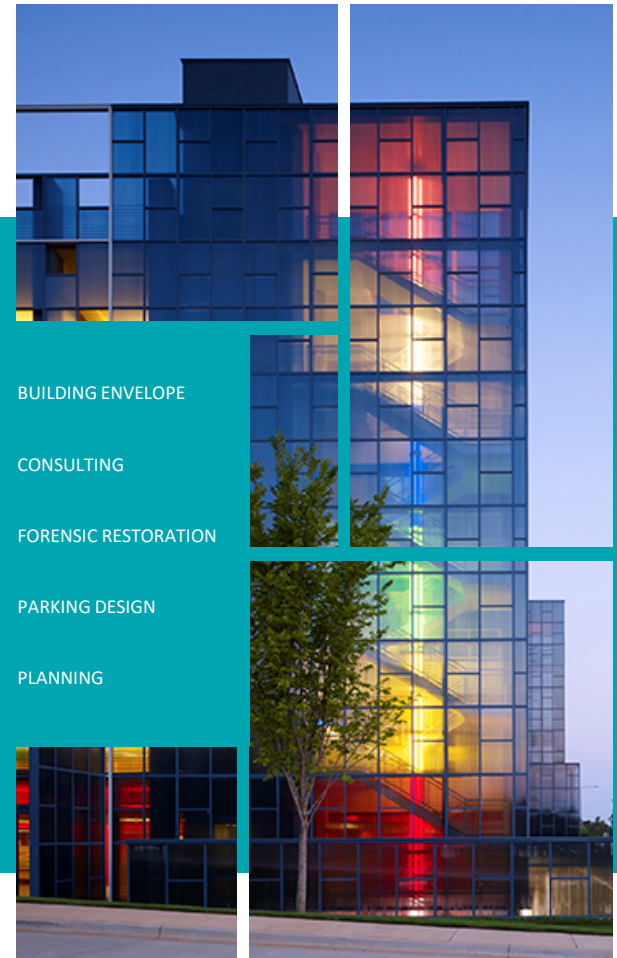
Staff Recommendation – Future Considerations

- Monthly contract rate – potential 10% increase in 2024.
- Residential permit – potential 10% increase in 2027.
- Transient rate – potential 5% increase in 2029.
- On-street meter rate – potential 10% increase in 2029.



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QUESTIONS???



BUILDING ENVELOPE

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